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THE AGRICULTURAL SITUATION

A Brief Summary of Economic Conditions

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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MORE HOGS, CATTLE, AND SHEEP—VALUES LOW

The annual inventory of livestock numbers, made as of January 1, 1932, reveals that the country's total flocks and herds increased slightly (2 per cent) during the past year. The total value of livestock, however, dropped from \$4,450,000,000 a year ago to \$3,196,000,000. Thus, producers again saw a billion and a quarter dollars wiped from the inventory value of their animals, in a year's time, and due wholly to a price decline. During the last two years livestock values have shrunk a total of \$2,800,000,000.

The number of horses and mules continued to decrease as has been the case for a number of years. This was the only class of farm animals that did not increase last year. The average farm value of a horse in this country has now fallen to \$53.

The total number of cattle increased 2.4 per cent last year. This continues the upward trend in production of beef cattle which has been going on since 1928.

In the case of dairy cows, there was a total increase, during the year, of some 800,000 head, or 3.5 per cent. However, the number of young dairy heifers showed a decline, bearing out the indications of a year ago when it became apparent that somewhat fewer heifer calves were being raised. The average dairy animal is now valued at \$40 as compared with \$57 a year ago.

The total number of hogs increased 9.4 per cent, or more than 5,000,000 head. About 3,000,000 of this increase was in the Corn Belt. Hogs not only showed the largest percentage of increase in numbers but suffered the most drastic decline in price of any class of stock, from \$11.36 a head last year to \$6.14.

Hogs and cattle together took a total inventory loss of practically a billion dollars, during the year.

The number of sheep went on increasing for the tenth successive year, showing more than a million head above last year. The average value of sheep and lambs fell to \$3.40 a head.

TREND OF LIVESTOCK PRODUCTION

The following shows the number of farm animals in the United States according to the estimate made as of January 1 each year. (Issued January 26, 1932, by Crop Reporting Board.)

[Figures given in terms of thousands, last three ciphers being omitted]

Farm animals	1924	1925	1926	1927	1928	1929	1930	1931	1932
Horses -----	17, 222	16, 489	15, 830	15, 133	14, 495	13, 897	13, 684	13, 165	12, 679
Mules -----	5, 720	5, 725	5, 739	5, 652	5, 504	5, 389	5, 366	5, 215	5, 082
All cattle -----	64, 507	61, 996	59, 122	56, 832	55, 676	56, 389	59, 730	60, 915	62, 407
Swine -----	64, 950	55, 568	52, 148	54, 788	60, 617	57, 410	55, 301	54, 374	59, 511
Sheep -----	38, 300	38, 112	39, 730	41, 881	44, 795	47, 704	51, 383	52, 745	53, 912
Milk cows -----	22, 161	22, 481	22, 188	21, 801	21, 828	21, 849	22, 910	23, 558	24, 379
Heifers ¹ -----					4, 184	4, 416	4, 700	4, 777	4, 665

¹ Heifers 1 to 2 years old kept for milk cows.

When the numbers of all livestock are combined into units which allow for differences in size and feed requirements among the several species the total number of animal units on January 1, 1932, was 102 per cent larger than on January 1, 1931.

In spite of the increased numbers of all livestock the total value of all livestock and of each species declined sharply during 1931. The total value of all livestock on farms on January 1, 1932, was \$3,195,748,000, compared with \$4,450,708,000 January 1, 1931, and \$5,994,970,000 January 1, 1930.

Horses.—The number of horses on farms continued to decline in 1931 at about the same rate as in recent years. The number on January 1, 1932, was 12,679,000 head, compared to 13,165,000 head January 1, 1931, 13,684,000 head January 1, 1930, and 21,555,000 head January 1, 1918, the high point in horse numbers. The value per head on January 1, 1932, was \$53.37, compared with \$60.43 last year, and the total value was \$676,698,000 this year, compared with \$795,541,000 last year.

Cattle.—Cattle numbers continued the increase begun in 1928. The number of all cattle on January 1, 1932, was 62,407,000 head, compared with 60,915,000 head January 1, 1931, and 59,730,000 January 1, 1930. The values per head were \$26.64 this year, \$39.31 last year, and \$56.69 two years ago, and the total valuation was \$1,662,222,000 this year and \$2,394,411,000 last year.

The number of milk cows (cows and heifers 2 years old and over kept for milk) and of yearling heifers being kept for milk cows are included under all cattle. The number of milk cows made a further increase in 1931, but there was a decrease in the number of yearling heifers being kept for milk cows.

The number of milk cows was 24,379,000 head January 1, 1932, 23,558,000 head January 1, 1931, and 22,910,000 head January 1, 1930. The value per head of milk cows this year was \$39.61, compared with \$57.11 last year and \$82.80 in 1930. The number of yearling heifers was 4,665,000 head this year, 4,777,000 head a year ago, and 4,700,000 head in 1930.

Hogs.—Hog numbers made a substantial increase in 1931. The number on January 1 this year was 59,511,000 head, compared with 54,374,000 head a year ago and 55,301,000 head two years ago. The number in the North Central States (Corn Belt) was 42,689,000 head this year, 39,839,000 head last year, and 39,992,000 head January 1, 1930. The value per head was \$6.14 this year, \$11.36 per head last year, and \$13.46 two years ago. The total values were \$365,133,000 this year and \$617,668,000 last year.

Sheep.—Sheep numbers also made a further increase in 1930. The number January 1 this year was 53,912,000 head, compared with 52,745,000 head January 1, 1931, and 51,383,000 head January 1, 1930. The value per head this year was \$3.40 this year, \$5.35 last year and \$8.94 two years ago. The total value was \$183,255,000 this year, compared with \$282,353,000 last year.

THE HOG SITUATION

HOG SUPPLIES

Hog production, after declining in 1929 and 1930, increased in 1931. The pig surveys of 1931 showed an increase of 9 per cent in the number of pigs saved in 1931 over 1930 for the whole country. For the North Central States, where the bulk of the commercial supply of hogs is raised, the increase was also 9 per cent. The largest relative increase was in the fall pig crop, which the survey showed as 20 per cent larger in 1931 than in 1930 for the whole country and 21 per cent for the North Central States.

The increase in the number of pigs raised in 1931 was reflected in the number of hogs on farms January 1, 1932. The estimated number this year was 59,511,000 head, compared to 54,374,000 head January 1, 1931, and 55,301,000 head January 1, 1930. For the North Central (Corn Belt) States the number was 42,689,000 head this year, 39,839,000 head in 1931, and 39,992,000 in 1930. While all divisions of States, and nearly every State, had increased numbers this year, the largest relative increases were in the South and West. The percentage increases were 3 in the North Atlantic, 6.5 in South Atlantic, 10 in East North Central, 6 in West North Central, 22 in South Central, and 19 in the far Western States.

The December, 1931, pig survey showed breeding intentions for farrow in the spring of 1932 which, when adjusted for the usual spread between breeding intentions as reported in December and actual farrowings as reported the following June, indicate that the June survey in 1932 will show the number of sows farrowed in the spring of 1932 to be about 2 per cent larger than in the spring of 1931 for the entire country. For the Corn Belt States, however, a decrease of about 5 per cent is indicated. The decrease in the Corn Belt is due to a marked decrease in the western part of that region. This decrease was due to the drought of 1931 in this area which greatly reduced the corn crop. If these States had shown increases in breeding for next spring somewhat in proportion as the rest of the country, the increase in the spring crop of next year would have been one of the largest ever known.

Whether the very low level of hog prices this winter and the rather unfavorable feeding relation between corn and hogs might have caused farmers to curtail their breeding plans as reported in December is unknown, but these are factors to be considered.

STORAGE SUPPLIES

Storage stocks of pork products during the spring and early summer of 1931 were relatively large, being above both the 5-year average holdings for that time of year and the relatively small holdings of the same period in 1930. From August to November there was a relatively heavy movement of pork into consumptive channels, and as a consequence the seasonal reduction in pork stocks was greater than usual. On December 1, 1931, such stocks were about 4 per cent smaller than those on that date a year earlier and 9 per cent smaller than the 5-year December 1 average. With the marked increase in hog slaughter in December, however, storage accumulations were unusually large. On January 1, 1932, total pork stocks, amounting to 559,000,000 pounds, were over 7 per cent larger than those of January 1 of the previous year, but they were not greatly different from the 5-year average for that date.

Lard stocks were maintained at a relatively low level throughout 1931, despite the increase in lard production during the last half of the year as compared with the corresponding period a year earlier. Storage holdings of lard on January 1, 1932, amounting to 51,000,000 pounds were not greatly different from the relatively small stocks on January 1, 1931, but they were 21 per cent smaller than the 5-year average January 1 holdings.

DOMESTIC DEMAND

The decline in consumer demand for pork products which began early in 1930 continued throughout 1931. During the marketing year which ended September 30, 1931, per capita consumption of pork and lard from federally inspected slaughter, amounting to 55.8 pounds, was 3 per cent smaller than during 1929-30, and retail prices of pork products at New York averaged about 15 per cent lower. During the first three months of the current marketing year, 1931-32, per capita consumption of pork products was about 6 per cent larger than in those months of the previous year but retail prices of these products were 22 per cent lower.

FOREIGN COMPETITION AND DEMAND

Total United States exports of all hog products during the 1930-31 marketing year were the smallest in more than 30 years. This reduction was due largely to a marked increase in hog production in European producing countries and to the reduction in purchasing power of European consumers. Pork exports during the 1930-31 year decreased 140,000,000 pounds, or 44 per cent, from those of a year earlier, while lard exports fell off 199,000,000 pounds, or about 26 per cent. Practically all importing countries took smaller quantities of American cured pork and nearly all countries except Great Britain purchased less American lard. The reduction in exports of pork products during the marketing year was about equal to the reduction in hog slaughter in the United States.

The declines in prices of pork and lard in European markets during 1931 were even greater than the sharp declines in the United States. From December, 1930, to December, 1931, price declines at Liverpool amounted to 61 per cent for American green bellies, 49 per cent for both Danish Wiltshire sides and American short cut green hams, and 37 per cent for lard. In New York, the composite wholesale price of pork

declined 38 per cent during that period, and lard prices declined 33 per cent. Immediately following the departure from the gold standard by Great Britain, prices of pork products in that country advanced, both in sterling and in gold. The advance was only temporary, however, and prices in gold were at new low levels during December. In sterling, lard prices were still somewhat above the low level reached during August, 1931, while prices of other pork products were at or near the lowest levels reached thus far in this depression. The abandonment of the gold standard by Denmark and Great Britain has intensified the competition from Denmark in the British pork trade.

Factors unfavorable to American pork in European markets are: (1) Continued large numbers of hogs in important European countries and the record supplies of pork and lard which are being produced in those countries, and (2) present weakness in European buying power because of unfavorable industrial and exchange conditions.

Hog slaughter in both Germany and Denmark, the two principal hog-producing countries of Europe, reached record high levels in 1931, and hog numbers in those countries are still apparently above those of a year ago. On December 1, 1931, there were 23,800,000 hogs in Germany, according to the quarterly census returns in that country. This number was slightly larger than the number reported a year earlier. There is some evidence, however, that the recent unfavorable relations between hog prices and feed prices in Germany are being reflected in reduced hog breeding operations. The December 1 census returns showed that the number of sows in farrow was 15 per cent smaller than on December 1, 1930.

In Denmark, where hog numbers reached record high levels in 1931, as shown by the July 15 census returns in that country, indications of reduced breeding operations are not so clear as in Germany. The close relationship between hog breeding and dairying in Denmark causes feed prices to have less direct influence on hog breeding than elsewhere in Europe. Danish exports of pork to Great Britain, the leading export market for both Danish and American cured pork, were unusually large throughout 1931 and are continuing at record high levels.

A feature of the European cured-pork situation during 1930-31 was the heavy increase in British market receipts from continental countries other than Denmark. Netherlands, Sweden, Poland, and the Baltic States have been outstanding sources of pork, especially bacon. Most of those countries are not so well organized as is Denmark to maintain production in the face of increasingly unfavorable relationships between hog prices and feed prices, but they have contributed materially toward depressing British market prices in recent months.

With respect to lard, during the 1930-31 season, Great Britain imported unusually large volumes of American lard at low prices. Indications are that British markets import about the same volume of lard annually, although for the first two months of the 1931-32 season imports were smaller than last season. On the Continent, there are heavy domestic supplies of lard in Germany, the leading importing country, as well as in those countries taking smaller volumes. Danish lard has become a serious competitor in recent months, especially in Germany. The German-Danish exchange situation has encouraged this trade.

HOG PRICES

Hog prices during the last two years have been severely affected by the world-wide business depression, the decline in the general price level, and increased European hog production. Despite a reduction in slaughter supplies, hog prices in 1930-31 averaged about 25 per cent lower than those of the previous marketing year.

Prices usually reach the low point of the year between mid-November and mid-December, but in the year 1930-31 prices declined steadily from October, 1930, to February, 1931. After a temporary seasonal rise in March the decline was resumed and was not checked until early June. The seasonal rise during June and July was small, and in early August prices began another decline which continued with little interruption until mid-December. After a slight advance during the last half of December prices declined again, and during the week ended January 23 the average price at Chicago was \$3.93 per 100 pounds, which was the lowest weekly average for that market in more than 30 years. The amount of the reduction in prices from July, when the decline began, to late January was about \$2.50 per hundred pounds, or a decrease of about 38 per cent.

Notwithstanding the 3 per cent reduction in the total live weight of hogs slaughtered during 1930-31, the average price paid by packers was only \$7.21 per hundred pounds as compared with \$9.58 a year earlier and \$10.03 during the 1928-29 marketing year. This decline in both price and volume resulted in a reduction of \$273,000,000 in the gross return to producers for hogs slaughtered under Federal inspection from the returns in the previous marketing year and a reduction of \$400,000,000 from the returns during the year 1928-29.

Wholesale and retail prices of pork products also were much lower in 1931 than in 1930.

THE BEEF CATTLE SITUATION

The number of cattle on farms increased again in 1931 for the fourth consecutive year, and on January 1, 1932, the estimated number was 62,407,000 head, an increase of 1,492,000 head, or 2.4 per cent, over January 1, 1931, and of 5,702,000 head, or 8 per cent, over January 1, 1928, the recent low point in numbers. This increase in the four years from 1928 to 1932 compares with the increase of 11,572,000 head between 1912 and 1916, which was the similar period in the previous cattle cycle.

As was the case in the preceding three years, the largest increase in cattle numbers in 1931 was in cows and heifers kept for milk and in beef cows. There was but little change in steer numbers and the increase in calves was smaller than during 1930.

The number of all cows and heifers two years old and over on January 1, 1932, was 34,032,000 head. The increase in numbers of these since 1928 was 3,126,000 head, which is about 55 per cent of the increase in numbers of all cattle. On January 1, 1920, there were 32,320,000 head of cows according to the 1920 census report, and this number was but little different from the estimated number of such cattle on farms on January 1, 1932. The number of all cattle on January 1, 1920, however, was 66,652,000 head, which was 6.5 per cent larger than the estimated total at the present time. This com-

parison shows the great change that has taken place in the make-up of the national cattle herd during the past 12 years.

This larger number and proportion of cows means that cattle production in terms of total tonnage of beef and veal can be increased or decreased more rapidly than was possible in earlier years. This greater ability to readjust numbers comes from the fact that the calf crop at present is about as large as was ever produced; with this large number of calves, a considerable change in the proportion vealed from year to year will result in a material increase or decrease in the total number of cattle.

While the number of cattle available for slaughter in 1931 was larger than a year earlier, there was no increase in federally inspected cattle slaughter. The inspected slaughter in 1931, amounting to 8,108,000 head, was 62,500 head smaller than in 1930, but the decrease was probably offset by an increase in farm and other local slaughter of cattle. Federally inspected calf slaughter of 4,716,000 head was 121,000 head larger than in 1930 and without doubt there was a considerable increase in farm and other local slaughter of calves. The number of cows and heifers slaughtered under Federal inspection was 243,000 head smaller in 1931 than in 1930, while the slaughter of steers was 205,000 head larger.

Although the number of cattle available for slaughter in 1932 is larger than the supply of a year ago, any increase in slaughter which occurs this year will have to be largely of cows and heifers since the supply of steers is little changed.

The estimated number of cattle on feed for market January 1, 1932, in the Corn Belt States was about 5 per cent smaller than a year earlier. There was an increase of 8 per cent in the five States east of the Mississippi River, which was more than offset by a decrease of 18 per cent in South Dakota, Nebraska, and Kansas. Numbers on feed in Iowa, Missouri, and Minnesota combined were about equal to those of a year earlier. There was a decrease of 17 per cent in cattle on feed in the Western Mountain States, but a considerable increase in feeding in Texas.

Cattle imports into the United States totaled 88,000 head for the first 11 months of 1931, compared with 232,000 in the corresponding period of 1930. Of the 1931 total, 64,000 came from Mexico and 24,000 from Canada. Canadian export records indicate that for the first 11 months of 1931, 53,000 head of cattle and calves were exported, of which 23,000 head went to the United States and 26,000 were sent to the United Kingdom. In the corresponding 1930 period, 61,000 head were exported, with 54,000 head coming to this country and only 4,000 head going to British markets. Canadian cattle numbers in June, 1930, totaled 8,937,000 head. This was the largest number since 1927, when the total was 9,172,000 head.

Records of the Bureau of Animal Industry show that from January 1 to November 30, 1931, supplies of canned beef inspected for entry into the United States, amounting to 16,272,000, were about 65 per cent smaller than those of the first 11 months of 1930.

Total imports of fresh and frozen beef into the United States during the first 11 months of 1931, amounting to 1,769,000 pounds, were slightly less than one-fifth as large as the 9,266,000 pounds imported during the corresponding period in 1930. In 1928 the 12 months' total of such imports, amounting to 58,320,000 pounds, was the largest on record. Of that amount, 30,367,000 pounds came from

New Zealand and 25,255,000 from Canada. Those two countries are still the principal sources of fresh and frozen beef imported into the United States, but the volume of such imports from them in 1931 was less than one-third of that in 1930.

Per capita consumption of federally inspected beef and veal during the first 11 months of 1931, amounting to 35.4 pounds, was about equal to that of the corresponding period in 1930. Prices of cattle and beef, however, were materially lower. The average price reduction between the two periods amounted to 5.4 cents per pound, or about 15 per cent, in the retail price of good grade steer beef at New York; 4.2 cents per pound, or 25 per cent, in the wholesale prices of such beef; and 3 cents per pound, or 25 per cent, in live steer prices at Chicago.

Demand for feeder cattle in 1931 was below that of 1930, due largely to the unprofitable returns from cattle feeding during the past two years and the resulting credit difficulties encountered by feeders. Inspected shipments of stocker and feeder cattle and calves from public stockyards during the first six months of the year were about 18 per cent smaller than those of the corresponding period in 1930. During the second half of the year they were 4 per cent smaller and the spread between prices of feeder cattle and the prices of the better grades of slaughter cattle was unusually wide.

The stocker and feeder cattle movement from four leading markets, classified by kinds of cattle and weight of steers shipped to the country, indicates that during the last half of 1931, shipments of calves constituted a much larger proportion of the total movement than in the last half of 1930 when they also were large. The proportion of steers weighing under 800 pounds was a little larger, but the proportion of those weighing over 800 pounds and the proportion of cows and heifers was smaller. The geographical distribution of the stocker and feeder movement in the Corn Belt reflected the distribution of the feed supplies in that area. In the eastern Corn Belt, where the corn supply is relatively large, feeder shipments were considerably larger than last year; whereas, in the western Corn Belt, where corn production in 1931 was smaller than in 1930, feeder shipments were reduced.

Since 1880 cattle production has gone through three complete cycles with rather significant regularity. These periods of increasing and decreasing numbers were from 1880 to 1896, 1896 to 1912, and 1912 to 1928. Since 1928 an upward trend of another cycle in cattle production has been under way. How long this upward trend will continue and what the future rate of increase in numbers will be depends first, upon conditions affecting the potential capacity and incentives for expansion, and second, upon conditions outside the industry affecting the demand for beef.

THE SHEEP SITUATION

Sheep numbers increased again in 1931, and on January 1, 1932, the total number of sheep and lambs on farms and ranges and in feed lots was 53,912,000 head. This was an increase of about 1,200,000 head, or 2 per cent, over January 1, 1931, and of 17,726,000 head, or 49 per cent, over January 1, 1922, which was the low point from which numbers have risen without intermission until they now are the largest on record in this country.

Both stock sheep, and sheep and lambs on feed for market were in larger numbers on January 1 this year than last. The estimated number of sheep and lambs on feed for market in the Corn Belt and Western States was 6,186,000 head compared to 5,428,000 head January 1, 1931, and 5,886,000 head January 1, 1930. This number establishes a new record for lamb feeding operations in this country. Numbers on feed this year were larger in both the 11 Corn Belt States and in the Western States. In the Corn Belt States there were increases over last year in every State but one. In the Western States there were rather large increases in North Dakota, Texas, New Mexico, and Oregon, with small increases in Colorado and Washington with decreases in all the other States, that in Utah being the most marked.

The increase in stock sheep was mostly in ewes 1 year old and over and the proportion of old ewes—over 6 years of age—was relatively large. In the Western States, reports from owners of 4,000,000,000 head of stock sheep which is equal to 11 per cent of such sheep in these States showed that old ewes made up 15.6 per cent of the total ewes 1 year old and over on January 1, 1932, while similar reports for two preceding years showed 14 for January 1, 1931, and 10.9 for January 1, 1930. Comparison of reports from the same outfits made as of January 1, 1932, and January 1, 1931, showed that there was an increase of 8 per cent in old ewes, an increase of 5 per cent in ewes 2 to 5, a decrease of 6 per cent in yearling ewes and a decrease of 20 per cent in ewe lambs being kept for breeding ewes. It is thought that the changes as shown by these reports are fairly typical of the sheep industry in the Western States.

The lamb crop of 1931 was estimated by the Department of Agriculture in July as 31,684,000 head, an increase of 8 per cent over the 1930 crop and the largest lamb crop ever saved in this country. Inspected slaughter of sheep and lambs for the first eight months, May to December, of the present lamb marketing year was 12,606,000 head, or 9 per cent larger than for the corresponding period in 1930. The increase this year was all in lambs (including yearlings), since the slaughter of sheep was actually smaller this year than last. This relatively small slaughter of sheep was due to the very low prices prevailing for slaughter ewes. During most of this period the price was so low that returns to the shippers were little more than expenses of shipment from sections where the distance from market made these expenses relatively large.

DEMAND FOR LAMB

With consumer incomes during 1931 much smaller than in 1930, total expenditures for lamb and mutton were reduced, and the increased market supplies during the year were moved into consumption only at greatly reduced prices. During the first 11 months of 1931 demand was weaker than in the corresponding period a year earlier and was far below the level that prevailed during 1929. Per capita consumption of federally inspected lamb and mutton in this period, amounting to 5.1 pounds, was 5 per cent larger than in the corresponding period of 1930. This increase in per capita consumption was accompanied by material declines in wholesale and retail prices of dressed lamb. The average wholesale price of good grade carcass lamb at New York declined from 21 cents per pound in the

first 11 months of 1930 to 17.3 cents in the corresponding period of 1931. The retail price of lamb in that city declined from 31.3 cents to 26.2 cents per pound. For the same periods the average price per 100 pounds for good grade slaughter lambs at Chicago dropped from \$9.75 to \$7.66.

Although a reduction in demand for lamb and mutton occurred during the first 11 months of 1931, compared with demand for the corresponding period in 1930, it was not so marked as the reduction in demand for beef and pork. Per capita consumption of both beef and pork was about the same in the two periods, whereas that of lamb increased about 5 per cent. Retail prices of beef decreased 15 per cent, those of pork about 21 per cent, and those of lamb and mutton about 16 per cent.

PRICES

Sheep and lamb prices were maintained at a relatively high level during the five years from 1924 to 1928, although market supplies were gradually increasing. In April, 1929, however, a sharp downward trend got under way, which was not checked until October, 1930. Prices were fairly stable during the last three months of 1930 and advanced moderately during the first four months of 1931, but after the middle of May prices trended downward until early December. The average price of lambs at Chicago in December, 1931, of \$5.64 per 100 pounds was the lowest monthly average since November, 1911.

The estimated average value per head of sheep and lambs on farms on January 1, 1932, was only \$3.40, compared with \$5.35 a year earlier and \$8.92 on January 1, 1930. It was the lowest average value since 1904.

THE DAIRY SITUATION

Prices of dairy products during the past two years have declined less than the average for all farm products by some 30 per cent. Dairy prices have followed approximately the price level for all commodities, whereas farm products as a group have fallen far below that level. Likewise, feed prices have fallen much lower than dairy prices.

The motive for expanding dairy production, therefore, is twofold: First, the returns from this enterprise have continued to be relatively better than for alternative enterprises, and, second, there has been sufficient margin between feed costs and the price of dairy products to make possible the profitable utilization of farm-grown feeds in this enterprise.

Responding to these incentives the farmers of the country have increased the number of dairy cows. The number of farms giving attention to dairy production on a commercial basis has increased. Considering this expansion, production during 1931 was smaller than was expected. Manufactured dairy products showed no increase in volume over 1930, while farm production of milk and butter probably increased slightly. On the other hand, the storage stocks of most dairy products, particularly butter, are abnormally low. As things stand now, both price relations and the need for additional farm income constitute urgent motives for full use of the present stock of dairy cattle, with the exception of those in the Northeastern States, where recently reduced prices of fluid milk, with somewhat higher feed costs, tend to put an effective check on expansion and even to reduce output below the 1931 volume.

NUMBERS OF COWS AND MILK PRODUCTION

On January 1, 1932, the number of milk cows and heifers 2 years old and older on farms was 24,379,000. This was an increase of 3.5 per cent above the number on the same date last year. The increase in number during the last half of the year was probably the greatest in any similar period for many years. This increase would not appear to have been due to any abnormal number of heifers coming into production but was rather the result of decreased culling due to the tendency of farmers to keep more cows with the prices of dairy products more favorable than those of other products and with feed cheap relative to dairy products.

Although the number of milk cows has been increasing for several years, the full effect of the increased size of herds on the production of dairy products has not yet been felt because through most of the pasturage seasons of 1929, 1930, and 1931, milk production per cow was seriously affected by widespread drought. The winter of 1930-31 and the first half of the winter of 1931-32 were, however, unusually mild and winter production was heavier than it would otherwise have been.

Production also responds gradually to the relative prices of feed grains and dairy products. Last June when butterfat prices were at the low point, the returns from feeding grain for butterfat production were abnormally low and production was below normal. Drought in some areas also contributed to the reduction in output and the price of butter increased. When new grains were harvested, the cost of feed grains fell to a very low point. The price of dairy products had strengthened, also, and feed costs being lower in comparison with butterfat than in any period of the last 20 years (except the fall of 1921), together with some increase in fall freshening, a marked increase in rate of production came in fall months.

Recently the price of butter has fallen again and prices of feed grains have risen, and because of the largely increased competition for the fluid milk market, returns from market milk have quite generally declined. As dairymen now have more milk cows and have a larger proportion of them in production and have on their farms much larger supplies of grain than they had a year ago, it is not surprising that the current output of dairy products is heavier and the marketing situation more difficult than at this time last year.

Conditions vary, however, rather sharply between the various producing sections. As freight rates are now exceedingly high in comparison with grain prices, prices of both mill feed and feed grains have been very low in the principal producing areas and relatively much higher in the deficit feed areas of the Northeast. Feed prices are relatively much lower in the butterfat producing States than they are in the intensive market milk areas. In the North Atlantic States where grain costs are now high compared with the greatly reduced return from market milk, milk production is sharply lower than at this time last year.

MANUFACTURED DAIRY PRODUCTS

The combined production of the principal manufactured dairy commodities in commercial plants in 1931 is estimated to have been about the same as in 1930. Production by commodities was very irregular, and was likewise irregular in different months.

Substantial increases occurred in both creamery butter and evaporated milk for the months of January to April, inclusive, but with the development of unfavorable production conditions, particularly in the intensive dairy States of the Middle West, the manufacture of these commodities dropped abruptly to a level below that of the preceding year. This lower level held throughout the summer and early fall; but the relation between feed costs and butterfat prices made butter production particularly profitable, and when weather conditions became quite favorable generally during the last three months of the year, the manufacture of creamery butter took a sharp upward swing, which was maintained to the end of the year in spite of some decline in butter prices. The production of concentrated milk, however, continued to be less than in the preceding year.

Regionally, some interesting and significant variations in production of creamery butter occurred in 1931, particularly in the Middle West where the great bulk of the domestic supplies of commercial butter originate. All States in that general area showed material increases up to May, but in May and throughout the heavy producing months that followed, sharp decreases were reported in Minnesota, Iowa, the Dakotas, Kansas, Nebraska, and Missouri. Production in these States remained below 1930 until November, when the factors governing production became exceptionally favorable for that time of the year, and production for the last two months of the year turned sharply upward. For this area, the 1931 production was about 1 per cent less than in 1930.

In most of the area including Wisconsin, Illinois, Indiana, Michigan, and Ohio, the effects of the drought in 1931 were not so severe as in 1930, and production registered an increase over 1930 for every month save July. Total production for this group of States was about 5.6 per cent larger than in 1930.

In the East, production of butter was 12.2 per cent less in New England than for the previous year, but in the Middle Atlantic States it was about the same.

Likewise, no material change was evident in the South Atlantic States where dairying centers mostly around the production of fluid milk for small towns or for farm use, with an occasional creamery the exception rather than the rule.

In the South Central States, the net change for the year was an increase of 9.2 per cent. While the quantity of creamery butter originating in this section is as yet of little significance in relation to the total United States production, the striking increase in butter, as well as other dairy products, not only in 1931 but in preceding years, is an indication of a growing interest in commercial dairying in that section.

In the far West, some variation in production is found. In the Mountain States, production was approximately 2.7 per cent less, while in the Pacific Coast States it was 4.7 per cent more.

STORAGE STOCKS

While the carry-over of cold-storage stocks of butter at the beginning of the 1931 storing season on May 1 was heavier than the 5-year average for that date, these stocks were considerably lower than those of the previous year. Stocks continued to be below those of a year previous throughout the balance of 1931, and on January 1, 1932, the

total quantity of butter in cold storage amounted to but 26,550,000 pounds, compared with 63,401,000 pounds on January 1, 1931, and a 5-year average of 53,951,000 pounds.

At the opening of the new storing season in May, 1931, stocks of American cheese, though slightly higher than the previous year, were appreciably above the 5-year average. This situation was somewhat relieved as the year progressed, and at the beginning of 1932 cheese stocks of 55,735,000 pounds were 7,500,000 pounds below a year previous and almost 4,000,000 pounds below the January 1 five-year average.

Stocks of evaporated milk in manufacturers' hands are now very materially below those of the past few years at this season, but this may be attributed in part to intensive selling by manufacturers during the fall months. While manufacturers' stocks were reduced, there was a considerable increase in stocks held by wholesale grocers who took advantage of what was considered favorable price concessions.

PRICES

The general decline in prices of dairy products during the last two years has been influenced primarily by the deflation in commodity prices and the business depression, since the increases in domestic production of dairy products during the last two years were relatively small.

From January, 1929, to December, 1931, the general level of wholesale prices in the United States declined about 30 per cent to approximately the pre-war level, while farm prices of all farm products declined 50 per cent and on December 15 were 34 per cent below pre-war. During the same period farm prices of feed grains declined 53 per cent as compared with a decline of 37 per cent in farm prices of dairy products. During 1931 prices of dairy products were low as compared with prices in previous years but were high as compared with many other farm products. This price relationship tended to stimulate dairy production.

The monthly price of 92-score butter at New York reached a low point during the decline of the last three years in June, 1931, of 23.3 cents.

CONSUMPTION

Receipts of fluid milk at New York increased about one-half per cent per year in the period 1927-1929, but in 1930 there was a decrease of about 1 per cent and in 1931 a decrease of about 6 per cent under the previous years. Milk receipts at Philadelphia in 1930 were about one-half per cent less than in 1929, and in 1931 was some 2 per cent less than the preceding year. In Boston, on the other hand, milk receipts showed an increase of close to 4 per cent in 1931, compared with 1930.

Receipts of fluid cream at New York showed an average yearly increase of 8 per cent in the period 1927-1929 but the yearly increases in 1930 and in 1931 were 1 per cent and 3 per cent, respectively. At Philadelphia, cream receipts decreased half a per cent from 1929 to 1930, and 12 per cent from 1930 to 1931. Receipts of cream at Boston increased 1 per cent in 1931 as compared with receipts in 1930.

FOREIGN COMPETITION

In the fall and winter of 1931, as in 1930, domestic prices of butter have been limited in their seasonal advance by foreign competition. Yearly average prices of butter in the United States have declined during each of the past two years fully as much (roughly 20 per cent) as in Copenhagen or London.

However, the relation between average prices for the year in domestic and foreign markets does not closely reflect the actual competitive position. During the past two years, seasonal competition has continued even with a tariff of 14 cents a pound on butter. Early in October, 1931, the price margins in New York over Canadian butter in Montreal, New Zealand butter in London, and Danish butter in Copenhagen approximated our import duty. The volume of actual importation was small and principally from Canada, but offers of foreign butter laid down in our principal markets influenced prices out of proportion to actual volume of importation. Since the United States has been cut off as an outlet for Canadian cream and milk, butter production has been greatly increased in Canada and an exportable surplus of more than 10,000,000 pounds has developed there within the past year.

The excess of United States imports over exports of all dairy products combined on the basis of their total milk equivalent further declined in 1931 to approximately 400,000,000 pounds from 606,000,000 pounds in 1930, and 780,000,000 pounds in 1929. The practical exclusion of Canadian cream and milk by the increased tariff rates on these products effective in June, 1930, accounts largely for the decline in total importation. Total imports of cheese declined from 76,000,000 pounds in 1929 to 68,000,000 pounds in 1930, and to approximately 60,000,000 pounds in 1931. Imports of cheese from Switzerland declined from 18,839,000 pounds in 1929 to 17,947,000 pounds in 1930 with imports during 1931 indicated as about the same as in 1930. Domestic production of Swiss cheese was increased from 19,406,000 pounds in 1929 to 26,393,000 pounds in 1930.

REGIONAL READJUSTMENTS

With more cows on farms in every State than a year ago, with abundance of feed available at prices lower relatively than dairy products prices, with farm wages at pre-war levels, and with prices of other products so low as seriously to reduce farmers' incomes from other sources, there is ample capacity and motive for still further expansion in dairy production.

However, these conditions and motives are not of equal importance in all parts of the country. The situation in the Northeastern States, particularly in New England and New York, is in sharp contrast with those in the other dairy-producing areas. Reductions in fluid milk base prices for these States have amounted to about 30 per cent of the rates in force in early fall of 1931, to say nothing of smaller returns for surplus milk because of a decline in the price of butter. On the other hand, feed prices have risen by about 10 per cent in the same period.

In the Middle West, however, with cheaper feeds, which are on the farms and thus are not a matter of cash outlay, the motive to reduce production is less in evidence. With the prevailing low prices of hogs and other farm products, a continued pressure for realizing additional income by dairying continues to be an outstanding factor maintaining heavy dairy output and even increasing it.

In the South the low price of cotton in the last two years has caused a considerable shifting of crop land to feed crops and depleted income from cotton has led farmers to resort to other sources of income, all of which has tended to increase the emphasis on dairying. There are potential resources for a very substantial expansion in dairy output in the South.

In the Great Plains and Mountain States the dairy output has been curtailed by recent drought conditions. Something of an increase in this region may be possible with better feed conditions. This is particularly true if the price of wheat does not recover substantially. In the Pacific Coast States the steady growth of population has stimulated increased dairy output and the substantial increase in production during the past year may well be taken as an indication of the working out of economic conditions there, both on the farm and in the market.

SUMMARY OF DAIRY STATISTICS

[Million pounds, 000,000 omitted]

PRODUCTION

Product	December			January to December, inclusive		
	1931	1930	Per cent change	1931	1930	Per cent change
Creamery butter-----	121	112	+8.4	1,626	1,595	+1.9
Farm butter-----	35	36	-1.7	560	570	-1.7
Total butter---	156	148	+5.9	2,186	2,165	+1.0
Cheese-----	27	27	-0.6	492	500	-1.6
Condensed milk-----	18	23	-23.8	279	345	-19.3
Evaporated milk-----	99	116	-15.2	1,675	1,735	-3.5
Total milk equivalent---	3,839	3,715	+3.3	55,720	55,674	+0.1

APPARENT CONSUMPTION

[Including production, changes in stocks, and net imports or exports]

Butter-----	172	172	-0.1	2,223	2,183	+1.8
Cheese-----	38	41	-8.8	558	568	-1.7
Condensed milk-----	20	26	-21.3	277	329	-15.7
Evaporated milk-----	102	121	-15.9	1,690	1,684	+0.3
Total milk equivalent---	4,274	4,391	-2.7	57,186	56,564	+1.1

T. R. PIRTLE,
Division of Dairy and Poultry Products.

AGRICULTURAL LOANS OUTSTANDING ¹

Year and month	Farm mortgage loans by—				Federal intermedi- ate credit bank loans to—	
	Federal land banks ⁴	Joint- stock land banks ⁴	Loans of 40 life in surance com- panies ⁵	Mem- ber banks ⁶	Coopera- tive asso- ciations ⁴	Financ- ing agencies ⁴
	<i>Millions of dollars</i> ² 30	<i>Millions of dollars</i>	<i>Millions of dollars</i>	<i>Millions of dollars</i>	<i>Thou- sands of dollars</i>	<i>Thou- sands of dollars</i>
1917.....	156	8				
1918.....	294	60				
1919.....	350	78				
1920.....	433	85				
1921.....	639	219				
1922.....	800	393	1, 335		33, 627	9, 105
1923.....	928	446	1, 452		43, 507	18, 760
1924.....	1, 006	546	1, 523		53, 780	26, 272
1925.....	1, 078	632	1, 588	³ 489	52, 704	39, 730
1926.....	1, 156	667	1, 618	³ 478	31, 991	43, 924
1927.....	1, 194	605	1, 606	³ 444	36, 174	45, 103
1928.....	1, 197	585	1, 591	388	26, 073	50, 018
1929.....						
1930						
March.....	1, 195	577	1, 577	394	24, 900	56, 284
June.....	1, 193	569	1, 573	386	27, 025	64, 641
September.....	1, 190	563	1, 563	387	57, 645	65, 691
December.....	1, 187	553	1, 554	387	64, 377	65, 633
1931						
January.....	1, 187	550	1, 555		60, 328	68, 103
February.....	1, 187	548	1, 555		56, 909	70, 729
March.....	1, 187	544	1, 547	386	62, 353	75, 730
April.....	1, 185	540	1, 544		58, 689	79, 565
May.....	1, 184	536	1, 541		51, 781	79, 335
June.....	1, 182	532	1, 537	389	57, 535	79, 206
July.....	1, 179	551	1, 535		57, 536	79, 509
August.....	1, 178	548	1, 533		51, 479	81, 027
September.....	1, 174	545	1, 530	376	49, 270	81, 121
October.....	1, 171	540	1, 527		47, 027	78, 470
November.....	1, 167	535	1, 523		49, 141	74, 467
December.....	1, 163	530			45, 255	74, 613

¹ End of year or end of month.² November 30.³ June 30.⁴ Federal Farm Loan Board. Beginning 1928 loans from joint-stock land banks in receivership not included.⁵ Association of Life Insurance Presidents. Reports cover operations of 40 companies representing 82 per cent of the admitted assets of all legal reserve life companies in the United States.⁶ Federal Reserve Board.

INTEREST RATES AND BOND YIELDS

Year and month	12 Federal land banks' rates to borrowers ¹	12 Federal intermediate credit banks' loan and discount rates ¹		Yield on Federal land bank bonds	Rates on commercial paper (4-6 months) (average) ²	Federal reserve bank discount rates (New York) ²
		Loans	Discounts			
1917-----	5.05	-----	-----	4.33	4.74	4 -4½
1918-----	5.45	-----	-----	4.39	5.86	4½-4¾
1919-----	5.50	-----	-----	4.22	5.42	4¾
1920-----	5.50	-----	-----	5.14	7.46	4¾-7
1921-----	5.88	-----	-----	5.11	6.56	4½-7
1922-----	5.71	-----	-----	4.50	4.48	4 -4½
1923-----	5.50	5.50	5.50	4.39	5.01	4 -4½
1924-----	5.50	5.12	5.33	4.55	3.87	3 -4½
1925-----	5.46	4.59	5.04	4.34	4.03	3 -3½
1926-----	5.30	4.70	4.90	4.27	4.34	3½-4
1927-----	5.11	4.51	4.73	4.08	4.10	3½-4
1928-----	5.05	4.81	4.91	4.26	4.85	3½-5
1929-----	5.32	5.56	5.61	4.78	5.84	4½-6
1930-----	5.63	4.53	4.54	4.70	3.58	2½-4½
1931-----	5.63	4.08	4.08	5.34	2.63	1½-3½
1930						
January-----	5.79	5.34	5.36	4.81	4.88	4½
February-----	5.70	5.24	5.26	4.73	4.75	4 -4½
March-----	5.58	5.10	5.13	4.62	4.25	3½-4
April-----	5.58	4.98	5.00	4.60	3.88	3½
May-----	5.58	4.82	4.83	4.65	3.75	3 -3½
June-----	5.58	4.55	4.55	4.66	3.50	2½-3
July-----	5.61	4.17	4.17	³ 4.67	3.25	2½
August-----	5.63	4.13	4.13	³ 4.82	3.00	2½
September-----	5.63	4.06	4.06	³ 4.56	3.00	2½
October-----	5.63	4.00	4.00	³ 4.68	3.00	2½
November-----	5.63	4.00	4.00	³ 4.70	2.88	2½
December-----	5.63	4.00	4.00	³ 4.89	2.88	2 -2½
1931						
January-----	5.63	4.00	4.00	³ 4.80	2.88	2
February-----	5.63	4.00	4.00	³ 4.77	2.63	2
March-----	5.63	4.00	4.00	³ 4.67	2.50	2
April-----	5.63	4.00	4.00	³ 4.87	2.38	2
May-----	5.63	4.00	4.00	³ 4.93	2.13	1½-2
June-----	5.63	3.90	3.90	5.06	2.00	1½
July-----	5.63	3.81	3.81	5.16	2.00	1½
August-----	5.63	3.81	3.81	5.92	2.00	1½
September-----	5.63	3.81	3.81	6.36	2.00	1½
October-----	5.63	4.06	4.06	6.00	3.12	1½-3½
November-----	5.63	4.50	4.50	5.44	4.00	3½
December-----	5.63	5.06	5.06	6.07	3.88	3½

¹ Federal Farm Loan Board.³ July, 1930-July, 1931, revised.² Federal Reserve Board.

PRICES OF FARM PRODUCTS

Actual prices received by producers at local farm markets as reported to the division of crop and livestock estimates of this bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

The paragraphs which follow are from this bureau's monthly report on the price situation.

Product	5-year average, August, 1909- July, 1914	January average, 1910- 1914	Janu- ary, 1931	Decem- ber, 1931	Janu- ary, 1932
Cotton, per pound---cents--	12. 4	12. 2	8. 6	5. 5	5. 6
Corn, per bushel----do----	64. 2	58. 9	61. 7	34. 5	33. 7
Wheat, per bushel----do----	88. 4	88. 4	59. 1	44. 1	44. 1
Hay, per ton-----dollars--	11. 87	11. 87	11. 21	8. 71	8. 60
Potatoes, per bushel--cents--	69. 7	64. 2	90. 3	45. 7	47. 1
Oats, per bushel-----do----	39. 9	39. 0	31. 1	23. 0	22. 7
Beef cattle, per 100 pounds -----dollars--	5. 20	5. 04	6. 41	4. 38	4. 29
Hogs, per 100 pounds do-----	7. 24	7. 03	7. 25	3. 76	3. 76
Eggs, per dozen----cents--	21. 5	27. 9	22. 1	25. 6	17. 2
Butter, per pound do-----	25. 5	27. 8	31. 0	29. 2	26. 3
Butterfat, per pound do-----			26. 2	27. 3	22. 8
Wool, per pound-----do-----	17. 8	18. 5	17. 4	12. 9	12. 5
Veal calves, per 100 pounds -----dollars--	6. 75	6. 78	8. 61	5. 59	5. 62
Lambs, per 100 pounds -----dollars--	5. 90	5. 79	6. 30	4. 19	4. 43
Horses, each-----do-----	142. 00	139. 00	65. 00	56. 00	56. 00

Cash wheat prices in the United States were lower in December than in November, but changes since early December have been relatively small and no marked trend has been apparent. Prices of wheat futures both in the United States and abroad have also fluctuated within a narrow range during the past month. In foreign markets prices have been at levels but little different from those prevailing in early October before the marked rise which took place during that month and early November, but in the United States recent prices have been significantly higher. May futures at Chicago continue to range only very slightly below Liverpool, prices abroad being too low compared with those of the United States to permit the United States to export freely. Overseas shipments of wheat from the principal exporting countries have been at a low level for a number of weeks as is usual at this time of year, pending the beginning of heavy shipments of new-crop wheat from the Southern Hemisphere.

New-crop shipments of wheat from Australia are now well under way, and some new crop wheat has been reported shipped from Argentina. Present estimates of production and carry-over as of

January 1 indicate the combined exportable surplus of these two Southern Hemisphere countries for the calendar year 1932 to be approximately 276,000,000 bushels, compared with 322,000,000 last year. The Argentine surplus is about the same as last year, being placed at 150,000,000 against 158,000,000 for 1931, while that of Australia is indicated to be 126,000,000 bushels, compared with 164,000,000 in 1931. Estimates of the 1931 crop and the carry-over as of July 31 for Canada together with exports to January 1 indicate that the surplus available for export and carry-over to July 31, 1932, is about 210,000,000 bushels, compared with 247,000,000 bushels a year ago.

The moderate improvement in potato prices probably reflects the light shipments so far this season. In November and December shipments (exclusive of movement by truck) totaled 27,000 cars, compared with 32,000 a year ago. Were it not for the increased truck movement, the total volume of which is not known, the shipments of November and December would appear to have been about as light as in these two months of 1925 and 1921, when they were, respectively, 28,000 and 27,000 cars, compared with 31,000 to 35,000 cars in all other years since 1920. The availability of supplies for market during the next few weeks may have an important bearing on the trend of prices.

The wholesale commodity price level in the United States since September, 1929, has declined somewhat over 30 per cent, while prices in the foreign countries which usually purchase the bulk of our farm exports declined about 26 per cent, with prices in the United States toward the end of 1931 tending downward and in other countries tending upward, as a result of depreciated currencies abroad. The average of prices in eight foreign countries (1926=100) was 71.2 in September, 71.7 in October, and 72.3 in November, but in terms of gold prices, the November index is 65, or 3 points lower than the index for the United States.

In England (according to Crump's weekly index), prices reached their lowest point in the third week of September, but as the gold value of the British currency dropped about one-third, prices on the average advanced about 12 per cent by the middle of October, but have since lost part of the advance. Since British prices have thus far not risen in proportion to the devaluated currency they are relatively lower when compared with the United States gold prices, than they were during the first part of September, and serve to restrain exports of our farm products and to weaken those prices in our domestic markets which are usually affected by foreign demand. While this is in general the current price relationship between the United States and important countries, individual commodities show differences due to their particular supply and demand conditions.

GENERAL TREND OF PRICES AND WAGES

[1910-1914=100]

Year and month	Whole-sale prices of all commodities ¹	Industrial wages ²	Prices paid by farmers for commodities used in—			Farm wages	Taxes ³
			Living	Production	Living production		
1910.....	103	-----	98	98	98	97	-----
1911.....	95	-----	100	103	101	97	-----
1912.....	101	-----	101	98	100	101	-----
1913.....	102	-----	100	102	100	104	-----
1914.....	99	-----	102	99	101	101	100
1915.....	102	101	107	103	106	102	102
1916.....	125	114	125	121	123	112	104
1917.....	172	129	148	152	150	140	106
1918.....	192	160	180	176	178	176	118
1919.....	202	185	214	192	205	206	130
1920.....	225	222	227	175	206	239	155
1921.....	142	203	165	142	156	150	217
1922.....	141	197	160	140	152	146	232
1923.....	147	214	161	142	153	166	246
1924.....	143	218	162	143	154	166	249
1925.....	151	223	165	149	159	168	250
1926.....	146	229	164	144	156	171	253
1927.....	139	231	161	144	154	170	258
1928.....	143	232	162	146	156	169	263
1929.....	141	236	160	146	155	170	267
1930.....	126	226	151	140	146	152	266
December—							
1921.....	136	196	-----	-----	-----	-----	-----
1922.....	147	208	-----	-----	-----	-----	-----
1923.....	143	220	-----	-----	-----	-----	-----
1924.....	148	222	-----	-----	-----	-----	-----
1925.....	151	229	-----	-----	-----	-----	-----
1926.....	143	232	163	143	155	-----	-----
1927.....	141	233	161	142	153	-----	-----
1928.....	141	237	161	146	155	-----	-----
1929.....	138	234	-----	-----	-----	-----	-----
1930.....	114	216	-----	-----	149	-----	-----
1931							
July.....	102	207	-----	-----	⁴ 128	123	-----
August.....	102	207	-----	-----	⁴ 127	-----	-----
September.....	101	205	-----	-----	⁴ 124	-----	-----
October.....	100	199	-----	-----	⁴ 123	113	-----
November.....	100	196	-----	-----	⁴ 123	-----	-----
December.....	97	194	-----	-----	⁴ 123	-----	-----

¹ Bureau of Labor Statistics. Index obtained by dividing the new series, 1926=100, by its pre-war average, 1910-1914, 68.5.

² Average weekly earnings, New York State factories. June, 1914=100.

³ Index of estimate of total taxes paid on all farm property, 1914=100.

⁴ Preliminary.

GENERAL TREND OF PRICES AND PURCHASING POWER

[On 5-year base, August, 1909-July, 1914=100]

Year and month	Index numbers of farm prices							Prices paid by farmers for commodities bought ¹	Ratio of prices received to prices paid
	Grains	Fruits and vegetables	Cotton and cotton-seed	Meat animals	Dairy products	Poultry products	All groups		
1910-----	104	91	113	103	100	104	103	98	106
1911-----	96	106	101	87	97	91	95	101	93
1912-----	106	110	87	95	103	101	99	100	99
1913-----	92	92	97	108	100	101	100	100	99
1914-----	103	100	85	112	100	105	102	101	101
1915-----	120	83	78	104	98	103	100	106	95
1916-----	126	123	119	120	102	116	117	123	95
1917-----	217	202	187	173	125	157	176	150	118
1918-----	226	162	245	202	152	185	200	178	112
1919-----	231	189	247	206	173	206	209	205	102
1920-----	231	249	248	173	188	222	205	206	99
1921-----	112	148	101	108	148	161	116	156	75
1922-----	105	152	156	113	134	139	124	152	81
1923-----	114	136	216	106	148	145	135	153	88
1924-----	129	124	211	109	134	147	134	154	87
1925-----	156	160	177	139	137	161	147	159	92
1926-----	129	189	122	146	136	156	136	156	87
1927-----	128	155	128	139	138	141	131	154	85
1928-----	130	146	152	150	140	150	139	156	90
1929-----	121	136	145	156	140	159	138	155	89
1930-----	100	158	102	134	123	126	117	146	80
1931-----	63	98	63	93	94	96	80	² 129	² 62
January—									
1921....	138	136	93	123	172	243	135	-----	-----
1922....	91	159	129	95	140	176	114	-----	-----
1923....	113	117	203	110	151	175	134	150	89
1924....	110	118	255	101	152	162	137	154	89
1925....	172	122	182	123	134	213	146	158	92
1926....	143	214	138	140	147	172	143	157	91
1927....	120	140	85	140	144	173	126	154	82
1928....	125	144	152	138	145	177	137	154	89
1929....	115	109	148	146	145	161	133	155	86
1930....	118	167	128	146	135	178	134	153	88
1931....	77	108	72	112	107	110	94	137	69
1931									
July-----	57	110	71	92	85	83	79	² 128	² 61
August-----	54	97	53	92	87	93	75	² 127	² 59
September--	50	83	47	86	92	99	72	² 124	² 58
October-----	46	70	42	79	95	110	68	² 123	² 55
November--	57	68	50	76	95	123	71	² 123	² 58
December--	52	68	45	68	92	120	66	² 123	² 53
1932									
January----	52	70	45	68	85	87	63	² 121	² 51

¹ These index numbers are based on retail prices paid by farmers for commodities used in living and production, reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.

² Preliminary.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, and sheep receipts at primary markets; butter receipts at five markets, compiled by this bureau.

Year and month	Receipts					
	Wheat	Corn	Hogs	Cattle	Sheep	Butter
Total—	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000 pounds</i>
1920---	332, 091	209, 079	42, 121	22, 197	23, 538	402, 755
1921---	416, 179	338, 216	41, 101	19, 787	24, 168	468, 150
1922---	413, 106	378, 598	44, 068	23, 218	22, 364	526, 714
1923---	386, 430	271, 858	55, 330	23, 211	22, 025	545, 380
1924---	482, 007	278, 719	55, 414	23, 695	22, 201	587, 477
1925---	346, 381	223, 604	43, 929	24, 067	22, 100	574, 489
1926---	362, 876	234, 873	39, 772	23, 872	23, 868	572, 935
1927---	455, 991	241, 245	41, 411	22, 763	23, 935	581, 592
1928---	495, 450	335, 149	46, 527	21, 477	25, 597	577, 929
1929---	437, 681	264, 934	43, 715	20, 387	26, 834	602, 665
1930---	402, 398	247, 483	40, 774	19, 166	29, 808	584, 196
1931---	420, 758	172, 514	39, 537	19, 617	33, 022	609, 611
December—						
1920---	30, 780	18, 276	4, 200	1, 395	1, 566	21, 573
1921---	21, 616	42, 639	3, 931	1, 417	1, 664	30, 839
1922---	46, 002	38, 145	5, 004	1, 825	1, 516	32, 334
1923---	28, 756	37, 930	5, 825	1, 810	1, 526	34, 888
1924---	33, 076	29, 239	6, 604	2, 083	1, 605	33, 155
1925---	33, 670	32, 587	4, 380	2, 056	1, 608	36, 199
1926---	19, 831	22, 528	3, 910	1, 846	1, 706	36, 054
1927---	23, 903	36, 777	4, 209	1, 691	1, 609	33, 687
1928---	31, 976	44, 128	4, 773	1, 510	1, 610	36, 863
1929---	21, 346	31, 376	4, 221	1, 551	1, 701	39, 843
1930---	21, 030	27, 580	4, 002	1, 736	2, 307	43, 892
1931						
July-----	94, 693	15, 597	2, 511	1, 488	2, 535	58, 522
August-----	57, 438	11, 489	2, 454	1, 822	3, 270	45, 084
September---	35, 130	8, 172	2, 727	1, 798	3, 900	42, 863
October-----	30, 035	14, 555	3, 462	2, 137	3, 956	43, 857
November---	24, 575	11, 788	3, 752	1, 866	2, 811	44, 925
December---	13, 073	11, 195	4, 210	1, 453	2, 182	47, 194

THE TREND OF EXPORT MOVEMENT

Compiled from the Department of Commerce reports by the foreign service division of this bureau.

Year and month	Wheat, ¹ including flour	Tobacco (leaf)	Bacon, ² hams, and shoulders	Lard	Total ³ meats	Cot- ton ⁴ running bales
Total—	<i>1,000 Bushels</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 bales</i>
1920---	311, 601	467, 662	821, 922	612, 250	1, 043, 500	6, 111
1921---	359, 021	515, 353	647, 680	868, 942	786, 280	6, 385
1922---	235, 307	430, 908	631, 452	766, 950	733, 832	6, 015
1923---	175, 190	474, 500	828, 890	1, 035, 382	958, 472	5, 224
1924---	241, 454	546, 555	637, 980	944, 095	729, 832	6, 653
1925---	138, 784	468, 471	467, 459	688, 829	547, 361	8, 362
1926---	193, 971	478, 773	351, 591	698, 961	428, 613	8, 916
1927---	228, 576	506, 252	237, 720	681, 303	302, 795	9, 199
1928---	151, 976	575, 408	248, 278	759, 722	315, 586	8, 546
1929---	154, 348	555, 347	275, 118	829, 328	360, 868	7, 418
1930---	149, 154	560, 957	216, 953	642, 486	297, 836	6, 474
1931---	225, 686	503, 552	123, 246	568, 708	177, 009	6, 849
December—						
1920---	30, 377	45, 391	83, 276	90, 080	101, 088	785
1921---	15, 217	38, 772	36, 848	64, 542	42, 242	635
1922---	16, 728	36, 954	65, 642	78, 596	76, 830	605
1923---	13, 358	49, 269	76, 263	98, 578	89, 887	834
1924---	24, 616	44, 384	33, 788	76, 803	43, 113	1, 053
1925---	8, 437	68, 378	40, 277	68, 840	46, 537	974
1926---	15, 301	50, 379	23, 503	62, 680	28, 746	1, 504
1927---	12, 197	47, 661	19, 839	62, 855	24, 344	745
1928---	12, 053	67, 587	18, 886	86, 358	23, 040	1, 058
1929---	12, 428	65, 660	17, 404	80, 053	24, 057	910
1930---	6, 906	58, 435	10, 466	45, 114	16, 109	766
1931						
July-----	17, 454	19, 365	11, 793	33, 824	16, 050	259
August-----	11, 919	22, 309	9, 916	34, 510	14, 616	211
September---	11, 729	43, 355	7, 864	37, 790	12, 483	558
October-----	15, 563	48, 764	8, 762	43, 547	13, 681	1, 014
November---	13, 550	55, 938	8, 915	35, 205	13, 447	1, 071
December---	12, 100	54, 413	6, 206	65, 598	10, 302	1, 181

¹ Wheat flour is converted on a basis of 4.7 bushels of grain equal 1 barrel of flour.

² Includes Cumberland and Wiltshire sides.

³ Includes fresh, canned, and pickled beef; bacon, hams, and shoulders; fresh canned, and pickled pork; fresh mutton and lamb.

⁴ Excludes linters.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

Production, consumption, and movements	December, 1930	November, 1931	December, 1931	Month's trend
<i>Production</i>				
Pig iron, daily (thousand tons)	54	37	32	Decrease.
Bituminous coal (million tons)	40	30	30	Unchanged.
Steel ingots (thousand long tons).	¹ 1, 980	1, 594	1, 302	Decrease.
<i>Consumption</i>				
Cotton by mills (thousand bales).	406	429	416	Do.
Unfilled orders, Steel Corporation (thousand tons).	3, 944	2, 934	2, 735	Do.
Building contracts in 37 Northeastern States (million dollars).	249	151	137	Do.
Hogs slaughtered (thousands).	2, 460	2, 297	2, 806	Increase.
Cattle slaughtered (thousands).	1, 015	¹ 905	907	Do.
Sheep slaughtered (thousands).	1, 230	1, 281	1, 305	Do.
<i>Movements</i>				
Bank debits (outside New York City) (billion dollars).	¹ 23	15	17	Do.
Carloadings (thousands)-----	¹ 2, 782	2, 620	2, 273	Decrease.
Mail-order sales (million dollars).	72	46	-----	-----
Employees, New York State factories (thousands).	384	340	335	Decrease.
Average price 25 industrial stocks (dollars).	212	143	120	Do.
Interest rate (4-6 months' paper, New York) (per cent).	2. 88	4. 00	3. 88	Do.
Retail food price index (Department of Labor). ²	137	117	114	Do.
Wholesale price index (Department of Labor). ³	78	68	66	Do.

¹ Revised.² 1913=100.³ 1926=100.

Data in the above table, excepting livestock slaughter and price indexes, are from the Survey of Current Business, Bureau of the Census, United States Department of Commerce.